

Congress of the United States
House of Representatives

COMMITTEE ON OVERSIGHT AND REFORM

2157 RAYBURN HOUSE OFFICE BUILDING

WASHINGTON, DC 20515-6143

MAJORITY (202) 225-5051
MINORITY (202) 225-5074
<https://oversight.house.gov>

May 4, 2022

Mr. Tae D. Johnson
Acting Director
U.S. Immigration and Customs Enforcement
Department of Homeland Security
500 12th Street, S.W.
Washington, DC 20536

Dear Acting Director Johnson:

We write to express alarm at the potential waste of millions in taxpayer money and abuse of the contracting process by U.S. Immigration and Customs Enforcement (ICE) officials. According to a recent Department of Homeland Security (DHS) Inspector General (OIG) report, ICE officials bypassed the ordinary competitive process to award a large, sole source \$87 million contract and then wasted at least \$17 million of taxpayer money because hotel rooms intended for migrant families sat empty and were mostly unused. Not only have the Biden Administration's policies exacerbated the crisis on our border, it now appears the Administration is exploiting the crisis to reward its political allies with sole source contracts. The Biden Administration's self-inflicted crisis has cost taxpayers hundreds of millions of dollars across multiple federal departments. American taxpayers deserve accountability.

The OIG recently released a report revealing waste and incompetence by ICE officials who awarded a sole source \$87 million contract to Endeavors to house migrant family units in hotel rooms while bypassing the normal competitive process.¹ The OIG found that "ICE did not adequately justify the need for the sole source contract to house migrant families and spent approximately \$17 million for hotel space and services at six hotels that went largely unused between April and June 2021."² Specifically, the OIG revealed that ICE awarded the contract in response to "an unsolicited proposal" by Endeavors without first putting out a request for proposal, and then justified awarding the \$87 million contract by citing "unusual and compelling

¹ Dep't of Homeland Security Inspector Gen., *ICE Spent Funds on Unused Beds, Missed COVID-19 Protocols and Detention Standards while Housing Migrant Families in Hotels* (Apr. 12, 2022) (OIG-22-37).

² *Id.*

urgency.”³ Yet, ICE wasted millions of dollars on empty hotel rooms. This raises serious questions about the “compelling urgency” for awarding the sole source contract.

The OIG also found mismanagement in the contracting process. ICE failed to adequately document the justification for the contract, did not seek out other potential vendors, and, perhaps most disturbingly, “ICE records showed that Endeavors had no experience providing the services covered by the sole source contract, including hotel beds or all-inclusive emergency family residential services.”⁴ Indeed, the OIG found that ICE merely relied on Endeavors’ initial proposal without obtaining *any* documentation to prove that Endeavors had the capacity to provide the required services, and did not explore any other vendors even though ICE had previously contracted with another entity to provide hotel services to house family units in the past.⁵ Finally, the OIG found that ICE had no evidence whatsoever that it had “procured a qualified contractor at the most cost-effective price.”⁶ ICE responded to a draft report by asserting that it performed “market research” to justify using an exception to the competitive bid process, but provided no details on what this entailed.⁷

Wasting \$17 million in unused hotel rooms paid for by the taxpayers is unacceptable. Unfortunately, these problems are not surprising given the potential conflicts of interest inherent in this particular contract. Endeavors won this contract and even larger contracts with the Department of Health and Human Services through a no bid process after hiring Andrew Lorenzen-Strait as Senior Director for Migrant Services and Federal Affairs, a political ally of this Administration.⁸ Mr. Lorenzen-Strait served on the Biden-Harris transition team and is a former official at ICE.⁹ A report has now surfaced that he is interviewing to return to ICE as its Chief of Staff.¹⁰ The revolving door appears to be quite lucrative for those who benefit from the Administration’s mismanagement of the border.

To assist the Republicans on the Committee on Oversight and Reform in investigating the circumstances surrounding ICE’s decision to award this contract and subsequent mismanagement, please provide the following documents and information, covering the time period January 20, 2021, to the present unless otherwise noted, no later than May 18, 2022:

1. A copy of the sole source contract awarded to Endeavors as referenced above;

³ *Id.*

⁴ *Id.*

⁵ *Id.*

⁶ *Id.*

⁷ *Id.*

⁸ See Giaritelli, Anna, *EXCLUSIVE: ICE gave \$87M no-bid contract to business with Biden ties, raising conflict of interest questions*, WASH. EXAMINER (Apr. 7, 2021); see also Markay, Lachlan & Stef W. Kight, *Exclusive: Texas nonprofit got massive border contract after hiring Biden official*, AXIOS NEWS (Apr. 13, 2021).

⁹ *Id.*

¹⁰ Biden Noms | American Accountability Foundation (@ameracctfnd), Twitter (Apr. 11, 2022, 9:27am), available at <https://twitter.com/ameracctfnd/status/1513509057142865928>.

2. A copy of the initial proposal by Endeavors to ICE that led to the sole source contract award;
3. All documents and communications referring or relating to the contract award to Endeavors referenced above, including but not limited to any communications with Endeavors' employees, personnel, executives, agents, affiliates, or representatives;
4. All documents and communications relied on by ICE contracting officials in determining to award the contract as a no-bid, sole-source contract instead of going through a competitive bid process;
5. All documents and communications referring or relating to the predicted need for the contracted services and investigations of any potential vendors for those services including but not limited to Endeavors;
6. In the event that no other potential vendors were explored for services, an explanation of why ICE declined to explore other vendors;
7. All documents and communications constituting the "market research" performed by ICE prior to bypassing the competitive bid process in this instance;
8. All documents and communications, including the final draft, of the justification and approval document required by the Federal Acquisition Regulation related to the sole source contract awarded to Endeavors; and
9. All documents and communications between and among administration officials and/or U.S. government employees and Mr. Lorenz-Strait regarding the contract referenced above or any other matter.

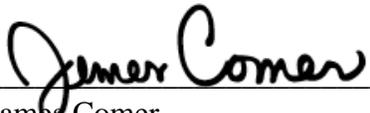
Thank you for your consideration of this important issue. To make arrangements to deliver documents or ask any related follow-up questions, please contact Committee on Oversight and Reform Republican Staff at (202) 225-5074. The Committee on Oversight and Reform is the principal oversight committee of the U.S. House of Representatives and has broad authority to investigate "any matter" at "any time" under House Rule X. Thank you in advance for your cooperation with this inquiry.

Acting Director Johnson

May 4, 2022

Page 4 of 5

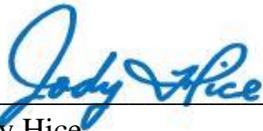
Sincerely,



James Comer
Ranking Member
Committee on Oversight and Reform



Michael Cloud
Ranking Member
Subcommittee on Economic and
Consumer Policy



Jody Hice
Ranking Member
Subcommittee on Government Operations



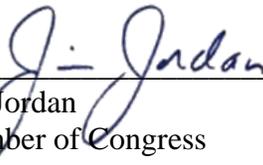
Glenn Grothman
Ranking Member
Subcommittee on National Security



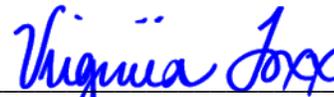
Ralph Norman
Ranking Member
Subcommittee on Environment



Nancy Mace
Ranking Member
Subcommittee on Civil Rights and
Civil Liberties



Jim Jordan
Member of Congress



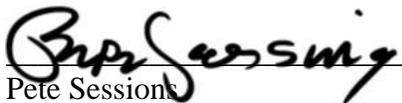
Virginia A. Foxx
Member of Congress



Bob Gibbs
Member of Congress



Clay Higgins
Member of Congress



Pete Sessions
Member of Congress

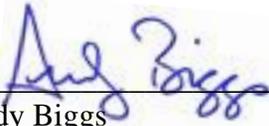


Fred Keller
Member of Congress

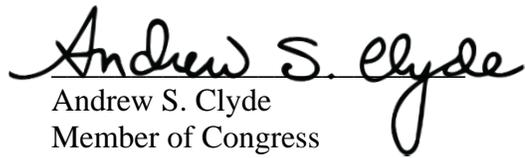
Acting Director Johnson

May 4, 2022

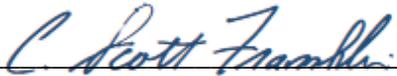
Page 5 of 5



Andy Biggs
Member of Congress



Andrew S. Clyde
Member of Congress



Scott Franklin
Member of Congress



Jake LaTurner
Member of Congress



Pat Fallon
Member of Congress



Yvette Herrell
Member of Congress



Byron Donalds
Member of Congress

cc: The Honorable Carolyn Maloney, Chairwoman
Committee on Oversight and Reform

The Honorable Gerald E. Connolly, Chairman
Subcommittee on Government Operations

The Honorable Stephen F. Lynch, Chairman
Subcommittee on National Security

The Honorable Raja Krishnamoorthi, Chairman
Subcommittee on Economic and Consumer Policy

The Honorable Ro Khanna, Chairman
Subcommittee on Environment

The Honorable Jamie Raskin, Chairman
Subcommittee on Civil Rights and Civil Liberties